

U.S. BANKRUPTCY COURT
District of South Carolina

Case Number: **24-02116-eg**

Rule to Show Cause

The relief set forth on the following pages, for a total of 3 pages including this page, is hereby ORDERED.

FILED BY THE COURT
10/01/2024



Elisabetta G. M. Gasparini
US Bankruptcy Judge
District of South Carolina

Entered: 10/01/2024

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF SOUTH CAROLINA**

IN RE:

Sparc Foundry, LLC,

Debtor(s).

C/A No. 24-02116-EG

Chapter 7

**RULE TO SHOW CAUSE AS TO
WHY SANCTIONS SHOULD
NOT BE IMPOSED**

TAKE NOTICE THAT a hearing in the above-captioned case shall be held before the assigned judge **on October 22, 2024 at 2:00 PM at the J. Bratton Davis United States Bankruptcy Courthouse, 1100 Laurel Street, Columbia, SC 29201-2423** to consider the failure of Debtors' counsel, Lixiong Hao ("Hao"), and Jingrui Yu ("Yu") to comply with the Order on Motion for Protective Order (the "Rule 2004 Order") and Order to File Correspondence previously entered by this Court on September 16, 2024 (ECF No. 34) and September 25, 2024 (ECF No. 37).

The Rule 2004 Order required Debtor's counsel and counsel for Bitmain Technologies Georgia Limited ("Bitmain") to file with the Court joint correspondence on or before 5:00 PM on September 23, 2024, setting forth the stipulated date and time for the examination of Hao and Yu, who were designated by the Court as Debtors' representatives pursuant to Bankruptcy Rule 9001(5). The Order further provided that to the extent the parties were unable to stipulate as to a date and time for the examination, the correspondence should provide weekday dates for the remainder of September through October 15, 2024 when Hao and Yu would not be available to be examined in person in Columbia, South Carolina.

On September 23, 2024, Bitmain’s counsel filed correspondence with the Court indicating that “Debtor’s counsel has been unable to provide any proposed dates to Bitmain, which otherwise is prepared to accommodate the schedules of Messrs. Hao and Yu.” On September 25, 2024, the Court entered the Order to File Correspondence, which provided that on or before 5:00 p.m. on September 26, 2024, “Hao and Yu, ***through Debtor’s counsel***, shall file correspondence with this Court indicating the weekday dates for the remainder of September through October 15, 2024 when they will **not** be available. Upon their failure to do so, sanctions may be imposed.” (Emphasis added). The Order to File Correspondence further provided:

To the extent that Debtor’s representatives fail to file the correspondence as requested herein or provide limited availability for the Rule 2004 examination in Columbia, South Carolina, the Court will schedule a hearing at which Debtor’s representatives will be ordered to appear in person.

To date, neither Debtor’s counsel nor Debtor’s designated representatives have complied with the prior orders of this Court.

THEREFORE, IT IS HEREBY ORDERED that Richard R. Gleissner, as Debtor’s attorney of record, as well as Hao and Yu shall appear at the date, time, and place set forth above to show cause as to why sanctions should not be entered against them in this matter due to their failure to comply with the Court’s Order.

The Clerk’s office is directed to serve a copy of this Rule to Show Cause on Debtor’s Counsel, the Debtor, Bitmain’s counsel, the Chapter 7 Trustee, and the United States Trustee. Debtor’s counsel shall ensure that Hao and Yu receive notice of this Rule to Show Cause as the designated representatives of the Debtor.

AND IT IS SO ORDERED.